

STATUS CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification for)	Docket No.
the CPV Sentinel Energy Project)	07-AFC-3
by the Pacific CPV Sentinel, LLC)	
_____)	

CALIFORNIA ENERGY COMMISSION
HEARING ROOM B
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

THURSDAY, JULY 31, 2008

10:00 a.m.

Reported by:
Ramona Cota
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Vice Chair and Presiding Member

Kenneth Celli, Hearing Officer

Kelly Birkinshaw, Advisor to Commissioner Boyd

Tim Tutt, Advisor to Commissioner Pfannenstiel

STAFF AND CONSULTANTS PRESENT

Rose Mary Avalos

Caryn Holmes, Staff Counsel

John Kessler

APPLICANT

Michael J. Carroll, Attorney
Latham & Watkins

John Foster
Competitive Power Ventures, Inc.

Mark O. Turner
Competitive Power Ventures, Inc.

ALSO PRESENT

Manuel Alvarez, Southern California Edison

Monisha Gangopadhyay, California Public Utilities
Commission

Gordon W. Savage, Southern California Edison

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Introductions	2
Case Summaries	
Applicant	6
CEC Staff	27
Comments on the Proposed Schedule	
Applicant	28
CEC Staff	30
Public Comment	46
Closing Remarks	49
Adjournment	49
Reporter's Certificate	50

P R O C E E D I N G S

10:00 a.m.

PRESIDING MEMBER BOYD: Good morning, everybody. Welcome to Hearing Room B, a stark contrast to Hearing Room A. Although some people indicate to me they like it because it puts us all on the same level plane and we get things done in a hurry, but it is sure sparse. Welcome to this CPV Sentinel Energy Project status conference.

I am Commissioner Jim Boyd, the principal committee member, the lead committee member for this project, the siting committee for this project.

My Associate Commissioner member of this committee is Chairman Pfannenstiel who is not here today, obviously. Lucky for her she is on vacation. For those of you who attended yesterday's hearing she left me with that but that's something else. And she is represented today by her advisor, Tim Tutt.

On my right is my advisor, Kelly Birkinshaw. And I think you all know Mr. Celli, our Hearing Officer, to whom I am going to quickly turn this over.

I think first we will go through the

1 ritual of introductions. I keep forgetting we are
2 not amplified in here so you will have to speak
3 up. The microphones are strictly for the court
4 reporter to be able to pick up and make a record
5 out of this. It is very rare that I am told I am
6 too quiet but I get to remind everybody to please
7 speak up today when you are making your
8 presentations. We should now have the applicant
9 introduce their group. Mr. Carroll.

10 MR. CARROLL: Good morning. Mike
11 Carroll with Latham & Watkins on behalf of the
12 applicant. And here with me this morning to my
13 immediate right is John Foster, executive vice
14 president with Competitive Power Ventures. And to
15 his right, Mark Turner, director with Competitive
16 Power Ventures and the project manager for the CPV
17 Sentinel Project.

18 PRESIDING MEMBER BOYD: Good. And
19 staff?

20 MS. HOLMES: Caryn Holmes, staff
21 counsel. And on my left is John Kessler, who I
22 think is about to report that we are ready to
23 publish the PSA today after many late nights and
24 weekends.

25 PRESIDING MEMBER BOYD: You still think

1 he's ready.

2 MS. HOLMES: Well I haven't talked to
3 him this morning. I got an e-mail at 3:50 or
4 something like that.

5 HEARING OFFICER CELLI: So you have a
6 propitious time designed in the schedule today
7 when you will --

8 MS. HOLMES: Announce.

9 PRESIDING MEMBER BOYD: It will be
10 beyond thinking and there will be an announcement.

11 MR. KESSLER: It's affirmative,
12 Commissioner.

13 MS. HOLMES: There we go.

14 PRESIDING MEMBER BOYD: Okay, it was
15 just announced.

16 MR. KESSLER: But it will be in the
17 afternoon.

18 PRESIDING MEMBER BOYD: Okay, this
19 afternoon. All right, very good.

20 Are there any intervenors in the
21 audience who would like to introduce themselves?

22 (No response)

23 PRESIDING MEMBER BOYD: Are there any
24 public agencies or other agencies, public or
25 private, who would like to identify their presence

1 because they may be saying something later in the
2 day?

3 MR. SAVAGE: Southern California Edison.

4 PRESIDING MEMBER BOYD: Come on, Manuel,
5 don't be bashful.

6 MR. ALVAREZ: Manuel Alvarez, Southern
7 California Edison. We are here observing the
8 proceedings. And we may have some comments later
9 on depending on the course of this event today.
10 Thank you.

11 PRESIDING MEMBER BOYD: May have, okay.
12 Conjecture today, all right.

13 The Public Advisers Office is not even
14 here, they have left us on our own. Okay.

15 And I am going to turn it over to
16 Hearing Officer Celli to give us the background
17 and to steer us through this effort this morning.
18 Ken.

19 HEARING OFFICER CELLI: Thank you,
20 Commissioner, thank you. I just want to ask, the
21 phone is working?

22 MS. AVALOS: Yes.

23 HEARING OFFICER CELLI: Okay. Do we
24 have anyone on the phone who wanted to introduce
25 themselves?

1 MS. AVALOS: No. We have three
2 listeners.

3 PRESIDING MEMBER BOYD: Let me ask a
4 question. Do these microphones amplify for the
5 listeners?

6 MS. AVALOS: Yes.

7 PRESIDING MEMBER BOYD: They do, all
8 right.

9 MS. AVALOS: Although with your
10 particular area you may want to speak a little
11 louder.

12 PRESIDING MEMBER BOYD: All right. I
13 don't know if these are the -- I don't know if
14 these are the -- This is the microphone for the
15 court reporter. Those things are the microphones
16 for the telephone.

17 MS. AVALOS: Right.

18 PRESIDING MEMBER BOYD: I have learned
19 that much. And yes, I am in a dead zone I see.
20 But I can't sit here because it's solid.

21 HEARING OFFICER CELLI: Well, good
22 morning everyone. This status conference today
23 was set at the request of CPV Sentinel Energy
24 Project. The Committee scheduled today's events
25 by a notice dated July 9, 2008.

1 The purpose of today's conference is to
2 hear from the parties regarding the status of the
3 Preliminary Staff Analysis and to assess the
4 scheduling of future events in this proceeding.
5 We will first provide the applicant and then the
6 staff an opportunity to summarize their view of
7 the case, the status of their case, and their
8 recommendations as to future scheduling.

9 The parties should also comment on
10 staff's proposed release of a Partial Preliminary
11 Staff Assessment and a suggested time frame for
12 the prehearing conference. We will then provide,
13 we will then provide an opportunity for general
14 public comment.

15 With that I am going to -- I haven't
16 quite finished reading the NRDC v. South Coast Air
17 Quality Management District. I imagine that is
18 going to affect this case. But with that I am
19 going to hand it over to you, Mr. Carroll, and you
20 can tell us what the status of the case is,
21 please.

22 MR. CARROLL: Thank you. And let me
23 thank everyone for setting the conference today at
24 our request.

25 Obviously the main topic of conversation

1 that we wanted to cover was the schedule for the
2 project. As we have expressed in the last couple
3 of status reports, the applicant has been very
4 concerned about the extent to which we are behind
5 the schedule that was originally set by the
6 Committee when this project was deemed data
7 adequate. At this point we are approximately five
8 months off from that original schedule.

9 We acknowledge, of course, that at the
10 request of, or in response to some concerns
11 expressed by staff about the water supply plan for
12 the project that we did submit a modified water
13 supply plan for the project in February of this
14 year. We are also keenly aware of the workload
15 that the staff is suffering under.

16 So with respect to those two factors, or
17 as a result of those two factors, we expected that
18 there would be some delay in the schedule and we
19 had planned for some delay in the schedule.
20 However, we hadn't expected a delay to the extent
21 that has transpired.

22 The revised water supply plan was
23 submitted about five months ago. Under a typical
24 12 month schedule that's the period of time for an
25 entire PSA to be produced. So again while we

1 acknowledge that some delay was inevitable as a
2 result of modifying the water supply plan, our
3 view is that the delay that has been occasioned is
4 undue.

5 Now we are very pleased to hear that the
6 PSA is going to be released today and we
7 appreciate all the time and effort that went into
8 that. When we requested this status conference it
9 wasn't at all clear that we were going to make the
10 July 31 date for the PSA. So that was part of the
11 emphasis for setting the status conference
12 although not the only impetus for it.

13 We are very pleased to hear that the PSA
14 is going to be released. That is a significant
15 milestone. But notwithstanding having met that
16 milestone we have a long way to go to a final
17 decision in the project. And quite honestly, we
18 need to make up for some lost time.

19 Because of some unique aspects
20 associated with this project, not the least of
21 which is the power purchase agreement that CPV has
22 entered into with SCE, it is critical that this
23 project be given a high priority and that we
24 endeavor to stick to a schedule that gets us to a
25 final decision by the end of the year.

1 And the schedule that we proposed gets
2 us there. We recognize that it is perhaps
3 slightly aggressive in some respects relative to a
4 typical schedule, although not overly so.

5 But we think that given the nature of
6 this project the importance for getting it on-line
7 on time and all of the effort that has gone into
8 preparing the PSA, our hope is that we would be
9 able to make up for some lost time between now and
10 the final decision. And the schedule that we
11 proposed is based on that assumption.

12 So with that I think what I would like
13 to do is turn it over to Mr. Foster who is going
14 to explain in a little bit more detail why it is
15 so critical that we try to make up for some lost
16 time and get to a final decision by the end of the
17 year.

18 HEARING OFFICER CELLI: Thank you.
19 Mr. Foster.

20 MR. FOSTER: Thanks, Mike. I am John
21 Foster, executive vice president for Competitive
22 Power Ventures. And like Mike I would like to
23 thank you all for the opportunity to meet with you
24 and discuss the project and the schedule for the
25 project going forward.

1 We also are very heartened to hear that
2 the PSA is going to issue today and think that is
3 a very important milestone and are encouraged by
4 that development.

5 Very briefly, and perhaps this has been
6 covered previously. But Competitive Power
7 Ventures is in the business of developing green
8 field gas and wind power projects. We do this
9 across North America. The senior management team
10 of the company has been doing it for about 20
11 years, sited probably around 10,000 megawatts of
12 gas-fired plants and brought them into commercial
13 operation.

14 This is what we do. I guess sometimes
15 we think we are masochists for doing it but this
16 is what we do and we enjoy doing it.

17 PRESIDING MEMBER BOYD: Try being an
18 Energy Commissioner someday.

19 (Laughter)

20 MR. FOSTER: I understand there are
21 different, I understand there are different sides
22 of this cube. Each have their interesting points.

23 My job is to explain the status of the
24 project and the critical importance of the permit
25 schedule to its success. But before I do that I

1 just want to take a minute to underline a couple
2 of points in the project, which perhaps everybody
3 is already familiar with but I think it is
4 important at a macro level. There are really
5 three of them.

6 First, as people know, this is an 800
7 megawatt peaking plant. One of the largest
8 projects being developed in California right now.
9 California has and is in the process of staking
10 out the most aggressive renewable energy plan of
11 any state in the country and that is something we
12 as a company support. As I said, we have an
13 active wind power program as well.

14 We think a peaking power project is
15 exactly the kind of project that is important to
16 help bridge to a renewable energy future. And we
17 think the environmental groups also recognize this
18 and are supportive of this kind of project as a
19 way to firm up the intermittent nature of
20 renewable projects.

21 Second, this project while it serves
22 Southern California, is located in the Salton Sea
23 Air District. So it is outside of the South Coast
24 Air District. As such it is not contributing to
25 the air quality problems in that district. Again,

1 we have not received environmental opposition to
2 this project. I think the comment period is
3 closed on the PDOC and there has been no
4 environmental opposition to this project.

5 The last is, as you all know, and
6 certainly we know, siting power plants is becoming
7 an increasingly difficult task everywhere. The
8 NIMBY phrase of not in my back yard is sort of
9 being surpassed now by the NOPE group, which is
10 not on planet earth. And it is certainly
11 something that we see in a lot of different parts
12 of the country and in some places in California.

13 It is important to note we don't have
14 this issue with the Sentinel project. The
15 Sentinel project has very strong community support
16 and local support and there is no organized
17 opposition to the project. If you have been to
18 the area where the project is going to be it is in
19 the middle of a huge industrial wind farm.

20 We like to say we think we are going to
21 improve the neighborhood aesthetically with this
22 power plant, actually. And I think we will
23 improve the public health and safety of the
24 immediate area as well and I think the people in
25 the area realize that. So we do not have a

1 situation where we have a strong, controversial
2 community opposition to this project.

3 With that said let me turn to the
4 schedule and how it fits in to the permit and
5 where we are with the overall project. This
6 project, CPV Sentinel is a real project. And what
7 do I mean by that? I mean it is not a project
8 that is coming before you seeking a permit that in
9 turn is going to go out and try to find a
10 commercial arrangement to take the project
11 forward. It is a project that has all its major
12 commercial arrangements in place.

13 I brought as my prop today the
14 agreements, in fact. We have, as we have already
15 mentioned and Mike has already mentioned, power
16 purchase agreements with Southern Cal Edison for
17 the entire output of the project. And there's two
18 things that are significant about that. The
19 output was sold through competitive bidding
20 processes that were held by Southern Cal Edison.

21 The selection of our project means at
22 least two things. One is that Southern Cal Edison
23 thinks that it is an important project for the
24 operation of their system, the location and
25 reliability of their system. And second, that the

1 ratepayers in Southern California, the SCE
2 ratepayers, know that they have a competitively-
3 priced power supply.

4 Ultimately, as you know from our name,
5 CPV, we are very much about having a competitive
6 wholesale generation market being supplied by
7 companies like ourselves. And we are always
8 happiest when we can win through a competitive
9 process because we know there is a valid benchmark
10 of our pricing.

11 Based on those commercial arrangements
12 we have put together the construction in the cost
13 side of the project. At this point we have
14 acquired the turbines, entered into an agreement
15 for the turbines, and now just this week signed
16 our lump sum, turnkey, engineering procurement and
17 construction contract. With those agreements we
18 have a fixed price for the construction of the
19 project that comports with the power purchase
20 agreement we have with Southern Cal Edison.

21 As you are aware from projects in
22 California and elsewhere right now, escalation of
23 costs in the construction area are a huge issue in
24 all areas of the energy sector, including the
25 power plant development area. And frankly it's

1 rare to have a project now that actually has its
2 price fixed in terms of what it is going to cost
3 to put the project on-line and that can meet with
4 a power purchase agreement with a buyer who is
5 taking the output.

6 Based on that we have also arranged for
7 the equity of the project. CPV is a 50 percent
8 owner of the project. The three listeners on the
9 phone today are from the General Electric company.
10 General Electric is also 50 percent owner in the
11 project. We at this date have more than \$30
12 million invested in the project. By December when
13 we are requesting the permit we will have over \$60
14 million into the project. And we think that is a
15 testament to our commitment to the project and our
16 belief in the strength of the project.

17 Based on those commercial arrangements
18 and the sponsor equity backing we have gone to the
19 financial community to receive bids on providing
20 the debt for the project. As you are also aware,
21 rivaling energy project challenges or energy costs
22 right now is the credit crunch in the financial
23 sector.

24 We have received strong response by the
25 financial sector for the project because of its

1 PPA's with Southern Cal Edison and because of the
2 inherent logic in location and strength of the
3 project. So they are voting that with their
4 scarce credit that this is a project they would
5 put credit to in order to bring the project into
6 construction and ultimately to operation.

7 There's one catch in the whole story.
8 The premise of the Southern Cal Edison PPA is the
9 project will be on-line by August 2010. The
10 construction contracts that we put in place
11 provide for meeting that schedule. In order to
12 avail ourselves of the commercial arrangements we
13 need to begin construction of the project at the
14 beginning of 2009. There's an 18 month
15 construction schedule.

16 In order to do that we need a permit
17 from the CEC that will allow us to go to South
18 Coast and get our permit to construct. So the key
19 issue for us and why we are here today, really, to
20 talk about the schedule post the PSA is what we
21 can do to make sure that we can keep on that
22 schedule and make the project that we put together
23 be a success.

24 The risk of not doing that is that at
25 the extreme the project fails. Which there have

1 been a number of projects, probably more than
2 usual lately, that have not been able to succeed
3 for cost issues. Or it requires a delay in the
4 project, meeting the in-service date that Southern
5 Cal Edison is expecting and an increased cost for
6 the project. Which will either be borne by the
7 sponsor and/or the ratepayers.

8 So we would prefer to be able to take
9 what we think is a really strong and important
10 project, which has the commercial underpinnings to
11 move forward, and keep it on schedule. Deliver
12 what we have promised to Southern Cal Edison,
13 deliver what the California ratepayer can expect
14 in terms of the low-cost power.

15 So with that, that is why the schedule
16 that we put forward is important. Where we are in
17 the project development. Appreciate the efforts
18 that people have made and think -- We want to urge
19 that this is a project worth making happen. And I
20 know you guys are keen on doing your job but it is
21 critically important to us.

22 And with that, Southern Cal Edison is
23 here today. We have asked them to come and just
24 to mention the importance of the project to them
25 in terms of their planning schedule and their

1 reliability. Do you have a few words to say,
2 Mr. Alvarez?

3 MR. ALVAREZ: Manuel Alvarez, Southern
4 California Edison. I guess I would just like to
5 remind the Commission that this particular project
6 started as long as two, two-and-a-half years ago
7 in terms of the entire process. It is consistent
8 with the Energy Commission's demand forecast that
9 subsequently went over to the PUC for their
10 approval.

11 The time schedule is constrained
12 primarily by the fast-tracking process that the
13 PUC instituted and then the standard process they
14 asked for for capacity. So the constraint in
15 terms of time is very critical to Edison in order
16 to meet those requirements that are predicated on
17 regulatory decisions that were made in the past.

18 Now we are aware that the regulatory
19 structure in California is evolving but we still
20 think we need this project. It is very important
21 and it is very necessary for our system. It
22 provides a lot of reliability. It is a commitment
23 that we made through the regulatory system. And I
24 think if the time schedule is able to be met I
25 think it is critical for the people in the state

1 of California. Thank you.

2 HEARING OFFICER CELLI: Thank you.

3 MS. HOLMES: Could I ask a question?

4 HEARING OFFICER CELLI: Yes. Actually I
5 was going to hand it over next to the staff to
6 respond but go ahead.

7 MS. HOLMES: I just wanted to ask
8 Mr. Alvarez a question. Is what you are saying
9 that this is a project that is required to meet a
10 local area capacity requirement?

11 MR. ALVAREZ: That's part of the
12 criteria for the particular project. But I think
13 more important than just the local area
14 requirement is that the entire regulatory
15 apparatus in terms of what the IEPR did, in terms
16 of the staff demand forecast and then what the PUC
17 in issuing directions to the utilities to acquire
18 new capacity is all integrated into the entire
19 system in terms of how the state makes its
20 decisions ultimately in acquisitioning new
21 facilities.

22 MS. HOLMES: Thank you.

23 MR. SAVAGE: My name is Gordon Savage.
24 I would just like to add to that.

25 HEARING OFFICER CELLI: I am going to

1 ask you to hold on for a moment because we are
2 going to get to public comment in a little bit.

3 What I would like to first do is ask
4 Commissioner Boyd whether you have any questions
5 for the applicant?

6 PRESIDING MEMBER BOYD: Not at the
7 moment.

8 HEARING OFFICER CELLI: Or Southern
9 California Edison?

10 PRESIDING MEMBER BOYD: Again not at the
11 moment.

12 HEARING OFFICER CELLI: Okay.

13 PRESIDING MEMBER BOYD: I think there's
14 more of them to hear from.

15 HEARING OFFICER CELLI: Mr. Tutt.

16 ADVISOR TUTT: I heard you ask Hearing
17 Officer Celli about the court decision. I did not
18 hear a response to that.

19 HEARING OFFICER CELLI: It would be --
20 If you wouldn't mind, Mr. Carroll, if you would
21 brief everybody on where we are at with regard to
22 what the decision means and what it means to
23 Sentinel.

24 MR. CARROLL: Sure, I'd be happy to
25 address that. And for those in the audience who

1 may not know anything about the litigation let me
2 just give 15 seconds of background.

3 The South Coast Air Quality Management
4 District about a year ago amended a rule known as
5 Rule 1309.1 or the Priority Reserve and adopted a
6 companion rule known as 1315. Without going into
7 the details of those rules, the import of the
8 amendments was to make particulate matter and SOx
9 offsets available for power-generating facilities
10 within the South Coast Basin, like Sentinel.

11 For reasons that continue to elude us
12 the environmental community challenged that rule-
13 making, alleging that the rule-making was beyond
14 the scope of the district's authority, that the
15 rule-making was arbitrary and capricious, and that
16 the district failed to comply with the
17 requirements of CEQA in connection with the rule-
18 making.

19 HEARING OFFICER CELLI: Actually as I
20 read it they found that it was within their
21 powers, it was within their authority.

22 MR. CARROLL: Yes.

23 HEARING OFFICER CELLI: But that they
24 did not comply with CEQA.

25 MR. CARROLL: Right, right. And maybe I

1 wasn't clear. What I was laying out were the
2 allegations of the petitioners in the lawsuit.

3 A decision was issued on Tuesday of this
4 week. And to summarize, as Mr. Celli just said,
5 what the court found was that the district did act
6 within its authority, which was an important
7 victory for the air district. And that certain
8 decisions that the petitioners had suggested were
9 arbitrary and capricious in connection with the
10 rule-making were not in fact so.

11 However the court also indicated that it
12 did not think that the CEQA analysis conducted in
13 connection with the rule was adequate. So it
14 seems quite clear from the decision that the court
15 is going to send the district back to redo the
16 CEQA analysis.

17 Now the decision is not the final word
18 at the trial court level. What we are now waiting
19 for is a writ to be issued by the court to the
20 district and then a final judgment to be ordered.
21 Until we get the writ we don't know exactly what
22 the court is going to direct the district to do.

23 As I said, we can gather from the
24 decision that it is going to direct it to redo
25 some of the CEQA analysis. The exact scope of the

1 additional CEQA analysis that needs to be done is
2 not clear and I don't think it will be clear until
3 the writ is issued. So there is still some
4 ambiguity about exactly what the fix, if you will,
5 will be for the rule.

6 Also not exactly clear on when the writ
7 is going to be issued. Typically in a case like
8 this the judge would have directed one of the
9 parties to prepare a proposed writ. That didn't
10 happen. We have a new CEQA judge in this case so
11 it is not exactly clear how she is planning to
12 handle that. But we are in the process of trying
13 to get some clarification from the court.

14 So I think at this point it would be
15 premature for us to base any -- to make any
16 decisions, including any scheduling decisions,
17 based on the decision. Because again, until we
18 have the writ it is not exactly clear what the
19 district is going to be directed to do and how
20 much time that will take.

21 It may be a very focused additional
22 environmental analysis. The judge identified
23 three areas in particular that she thought were
24 deficient. If the analysis is limited to those
25 three areas that may be something that can be

1 accomplished in a relatively short period of time.

2 If the writ is broader in its scope then the
3 timing would be different.

4 So until we get a writ issued and
5 understand exactly what needs to be done I don't
6 think we can make any predictions about the time
7 that that is going to take. And so I think it is
8 premature for us to base any of our decisions on
9 that decision. But clearly it is a matter that
10 needs to be addressed.

11 I will add, and I am not in a position
12 to go into detail on these today because they are
13 issues that are evolving and the air district is
14 taking the lead on them and I don't think it would
15 be appropriate for me to speak in a public forum
16 about them. But we have been engaged in
17 discussions with the district for some months
18 about the possibility that the ruling in this
19 matter might be adverse and what alternatives
20 there might be for these projects in the event
21 that an adverse ruling was issued.

22 We met with them as recently as Tuesday,
23 the day that the decision came out, with the
24 executive officer of the agency and other senior
25 staff. The air district is extremely committed,

1 and I would encourage the Energy Commission to
2 contact the air district directly. But the air
3 district is extremely committed in seeing that
4 these projects move forward.

5 And so there are a number of
6 alternatives that the air district is pursuing,
7 that we are pursuing in conjunction with the air
8 district, to ensure that offsets are made
9 available for these projects one way or another.
10 Whether it's through resolving whatever
11 deficiencies the court ultimately identifies in
12 this rule-making or in some alternative means. So
13 there is a very strong commitment on the part of
14 everyone other than the petitioners in this case
15 in Southern California to see that these projects
16 move forward.

17 That's an overview. I would be happy to
18 answer, respond to any specific questions.

19 HEARING OFFICER CELLI: Let me ask. Do
20 you have anything to add, staff, to the analysis
21 of the case?

22 MS. HOLMES: No. Only that the decision
23 on the ruling, which I think we have all read,
24 does indicate that the writ will enjoin the
25 district from undertaking any further action to

1 implement the rules. So it has the potential to
2 be quite broad. Although I agree with
3 Mr. Carroll, until we see the writ it is not, it
4 is not clear exactly what the district will be
5 directed or prevented from doing.

6 HEARING OFFICER CELLI: Just for the
7 record, just to be clear. The three areas that
8 they are looking at were aesthetics, health and
9 global warming.

10 MR. CARROLL: Correct.

11 HEARING OFFICER CELLI: Any further
12 question on that, Mr. Tutt?

13 ADVISOR TUTT: The only specific
14 question is, and it may be premature as
15 Mr. Carroll says. Does this development this week
16 affect the schedule for the FDOC?

17 MR. CARROLL: We don't believe that it
18 does and we specifically discussed that with the
19 district on Tuesday. I cannot speak for them but
20 we do not believe that the issuance of a decision
21 would preclude them from issuing an FDOC for this
22 project, which they are poised to do.

23 As Mr. Foster indicated, the comment
24 period on the PDOC is closed. They did not
25 receive any comments other than from the

1 applicant. All those issues have been resolved
2 and I believe the district is poised to issue the
3 FDOC at any point. We don't expect the issuance
4 of this decision to affect that. But again,
5 ultimately that will be the district's decision to
6 make.

7 HEARING OFFICER CELLI: Thank you. Any
8 further questions of the applicant by the
9 Committee? The staff? Response?

10 MS. HOLMES: No. I think that we are
11 perhaps not as optimistic about the FDOC as the
12 applicant is but we don't see any reason at this
13 point to alter the schedule until we know that in
14 fact there is a problem.

15 Staff is prepared, as we indicated to
16 the Committee and to the applicant, to file a
17 Final Staff Assessment at the end of September.
18 But we would point out we do need to have the
19 Final Determination of Compliance in order to do
20 that. So if there is a delay the FSA would
21 necessarily be delayed as well.

22 But we don't see any -- We would
23 encourage the Committee, in fact, to set a
24 schedule at this point under the assumption that
25 the FDOC will be issued. If it isn't then we will

1 address it when that happens.

2 HEARING OFFICER CELLI: Thank you. Have
3 you had a chance to look at my Tentative Revised
4 Committee Schedule. I was trying to be
5 reasonable. I was taking into consideration the
6 applicant's schedule. There's copies of a
7 proposed schedule on the table in front of the
8 podium there. I was trying to build in some of
9 the timing that the staff mentioned in their
10 e-mail, which I received yesterday. I'm sure all
11 the -- I hope all of the parties received in
12 response to the applicant's --

13 MS. HOLMES: It was docketed and sent
14 out to the service list.

15 HEARING OFFICER CELLI: Okay. And so
16 comments on this schedule. Let's first hear from
17 the applicant. What can we do here to make this
18 work?

19 MR. CARROLL: Well in looking at the
20 schedule and comparing it to what we had proposed
21 it looks like the differences are in the issuance
22 of the Final Staff Assessment. We had tightened
23 up the time period between PSA and FSA to 45 days
24 from the standard 60 days. The Committee's
25 proposed schedule pushes that back to 60 days.

1 It appears that the bulk of the
2 difference in timing is between the FSA and the
3 evidentiary hearings. And what I would suggest is
4 that given the level of effort that has gone into
5 this project. And let me say, of course we don't
6 want to prejudge what the PSA says. But our
7 expectation is that with respect to all areas
8 other than water and a couple of minor issues in
9 other areas that are tied to water, we don't have
10 any significant outstanding issues or
11 disagreements with the staff on this project.

12 So we are going to hopefully get a PSA
13 today. We will work through those water issues.
14 But my expectation is that between now and 60 days
15 from now when an FSA comes out we will be in
16 complete agreement with the staff on this project.
17 We only have one topic area to focus on. We have
18 spent a lot of time on it already.

19 And I would certainly hope that in that
20 60 day period, by the time the FSA issues, we are
21 in agreement with the staff. That's certainly
22 going to be our goal, to be in agreement with the
23 staff. And that the period of time that is in
24 this schedule between the FSA and the evidentiary
25 hearings, which is about 40 days, wouldn't be

1 necessary. Our schedule had us going to
2 evidentiary hearing relatively soon after the FSA.
3 I think 15 days following the FSA.

4 So what I would propose is that we
5 tighten the schedule back up in that time frame
6 and schedule the evidentiary hearings shortly
7 after the filing of the Final Staff Assessment as
8 opposed to the 40 days that is built into the
9 schedule here.

10 I guess the only other place that I can
11 press is on you, Mr. Celli. And wouldn't it be
12 nice to go into the Christmas holidays knowing
13 that you had that PMPD --

14 (Laughter)

15 PRESIDING MEMBER BOYD: How productive
16 are you at the federal minimum wage level?

17 HEARING OFFICER CELLI: There are people
18 who are not being paid right now.

19 Staff, respond please.

20 MS. HOLMES: With respect to the
21 proposed schedule that the applicant offered.
22 Again I would just point out that we do believe
23 that we need the 30 days between the time that the
24 Final Determination of Compliance is issued and a
25 Final Staff Assessment. It takes staff a minimum

1 of two weeks to get the conditions melded in with
2 the staff conditions and it has to go through
3 review and publication. So if the FDOC date is in
4 fact August 29 I think that the most reasonable
5 date for publishing the FSA is the end of
6 September as we proposed.

7 With respect to the hearing dates. I am
8 of two minds about this. On one hand I think it
9 is obviously nice to allow a lot of extra time if
10 you need to set the schedule now in case there is
11 a contested issue.

12 If however, in fact we are able to
13 resolve the outstanding issues -- And Mr. Carroll
14 is correct, the outstanding issues, the ones that
15 we have not completed our analysis in, have to do
16 with water and a water-related biological
17 resources issue. So it all centers on the water
18 issue. If those issues are resolved then there
19 can be a very, very short period of time between
20 the Final Staff Assessment and the applicant's
21 testimony and in-between the applicant's testimony
22 and the hearings. Assuming that there are no
23 intervenors or agencies or members of the public
24 who express concern.

25 If on the other hand it looks as though

1 there's going to be some issues that do need to be
2 litigated I think it is appropriate to allow
3 additional time. However, I am not sure that we
4 need as much time as you have offered. I know
5 that I am not supposed to say that but I think
6 actually that we do not need three full weeks
7 between the time that the applicant files their
8 testimony and we go to hearings. I think that we
9 could easily resolve, we could easily prepare for
10 hearings if we have just the one contested issue,
11 within two weeks.

12 I am wondering if there is a way to
13 move the prehearing conference. And I am not
14 quite certain how you want to proceed with this.
15 Again, my point is just that it is difficult to
16 pick a schedule at this time if we don't know if
17 there is going to be no contested issues
18 whatsoever. If there is going to be a half a day
19 of hearing on water or if there is going to be
20 three days on water. It is very difficult to
21 know. It is very difficult for me to give a
22 recommendation for the schedule.

23 I will say though, under the worst case
24 if there was to be a lot of issues involving the
25 water issue I still don't think that we need to go

1 until November 10 for those hearings. I think
2 that could be pushed back.

3 HEARING OFFICER CELLI: You know, what I
4 was trying to accomplish there on October 15 was
5 that by the applicant filing their testimony prior
6 to the prehearing conference then that would
7 actually make for a more efficient prehearing
8 conference. Because then staff can say, this is
9 exactly what we need in the way of time.

10 MR. CARROLL: I think that sequencing --
11 I agree, I think that sequencing works. What I
12 would offer is that applicant would be prepared to
13 file its testimony within a week of the Final
14 Staff Assessment, which would push that up to
15 October 7. That would allow a prehearing
16 conference -- I don't have a calendar in front of
17 me so I may be picking Saturdays or Sundays. But
18 somewhere around October 15.

19 HEARING OFFICER CELLI: I have one here

20 MS. HOLMES: That's a Wednesday.

21 HEARING OFFICER CELLI: October 15 is a
22 Wednesday.

23 MS. HOLMES: Is it a Business Meeting
24 Wednesday?

25 HEARING OFFICER CELLI: I don't know if

1 it is a Business Meeting Wednesday or not.

2 MS. HOLMES: I can't count that far
3 ahead.

4 MR. CARROLL: Or the 14th.

5 HEARING OFFICER CELLI: So you are
6 suggesting that on October 7, which is really, you
7 know -- September 30 is a Tuesday. And applicant
8 could have their testimony filed, you think, by
9 October 7?

10 MR. CARROLL: Yes.

11 HEARING OFFICER CELLI: That is a
12 reasonable time.

13 MS. HOLMES: I think we will have a very
14 good sense of where we are by the end of
15 September.

16 MR. CARROLL: Yes.

17 HEARING OFFICER CELLI: Okay.

18 MR. CARROLL: I think we could have our
19 testimony in within a week of the FSA. If we
20 could schedule the prehearing conference a week
21 following that.

22 HEARING OFFICER CELLI: So the week of
23 October 13 sometime. Do we know if there is a
24 Business Meeting on that --

25 ADVISOR TUTT: For the record,

1 Mr. Celli, there is no Business Meeting on that
2 Wednesday but it appears that Chairman
3 Pfannenstiel may have a conflict with another
4 rule-making. Hearing Room A is reserved for
5 another purpose.

6 HEARING OFFICER CELLI: And October 13
7 is Columbus Day, which is a state holiday. I just
8 noticed. She's busy on the 15th?

9 ADVISOR TUTT: It is likely that she is,
10 correct.

11 HEARING OFFICER CELLI: How is the 16th
12 or the 17th?

13 MS. HOLMES: Or the 14th?

14 HEARING OFFICER CELLI: The 14th?

15 ADVISOR TUTT: The 16th? As far as I
16 can tell here the 16th or the 14th would work. I
17 can't verify completely.

18 HEARING OFFICER CELLI: Well tentatively
19 let me just say October 14 or 16, something like
20 that. Okay, that's our prehearing conference.
21 Evidentiary hearings then.

22 MR. CARROLL: I would propose a week
23 following the prehearing conference.

24 HEARING OFFICER CELLI: That would be
25 the week of the 20th. And I'd sure wish to hear

1 from either Commissioners or their advisors as to
2 any blocked time so that we know that we are not
3 heading into a problem already.

4 PRESIDING MEMBER BOYD: Okay, I
5 apologize. I ran off without my Blackberry, which
6 is unusual. I'm usually wired to the thing.

7 ADVISOR BIRKINSHAW: I think I have most
8 of those items on mine too. It looks like it's
9 available.

10 HEARING OFFICER CELLI: And the week of
11 the 20th is clear?

12 MR. CARROLL: And if we could complete
13 the evidentiary hearings that would still allow 60
14 days for the PMPD to be prepared before the
15 holidays.

16 HEARING OFFICER CELLI: We like eight
17 weeks for that.

18 MR. CARROLL: Seven would take you right
19 up to Christmas Eve.

20 (Laughter)

21 HEARING OFFICER CELLI: Yes it would.
22 Okay. So what I am doing is I am changing October
23 15 to October 7 as applicant testimony filed.
24 October 30 will be October 14 or 16 when I get
25 some confirmation as to the available times. And

1 then evidentiary hearings October 20.

2 ADVISOR BIRKINSHAW: We'll have to check
3 but that looks okay.

4 HEARING OFFICER CELLI: Okay. Around
5 the week of the October 20 week. Followed by a
6 PMPD sometime the week of, I'm thinking the 19th
7 of December. Committee Conference. There is a 30
8 day comment period. That takes us to what? Let's
9 see, December 19?

10 ADVISOR BIRKINSHAW: Somewhere in the
11 neighborhood of January 19.

12 HEARING OFFICER CELLI: I've got around
13 the 23rd of January. Does that look right to
14 everyone else as a Committee Conference date,
15 January 23?

16 And then the next Business Meeting would
17 be February 11, I believe. There might be one --
18 I am not sure because when you go on the website
19 there is only one January Business Meeting date.
20 So I called Harriet yesterday asking about what
21 were the February dates and I know they were the
22 11th and I think the 25. Would February 11 sort
23 of be the go-for date for a Business Meeting?
24 Would that throw a wrench in the works or what?
25 Applicant?

1 MR. FOSTER: I appreciate the effort
2 being made to adjust the schedule. Candidly,
3 Mr. Carroll prepared me that, you know, December
4 may not be something you guys jumped up and down
5 and gave to us today. It is going to be
6 difficult, it is very difficult for us to go
7 beyond January, though, so that's the challenge we
8 have.

9 And I think it is helpful mapping out
10 the schedule. I guess we too are believing that
11 when we get to the FSA that we really won't have
12 open issues. And so I guess if we are in that
13 situation that maybe even some of what followed
14 after that could be done faster. It's a question
15 actually in some ways. And so I wouldn't want to
16 give up the hope for that.

17 Because we are going to obviously be
18 incented then, and already have been, to work
19 cooperatively with staff and also get to yes on
20 any outstanding issues and be very reasonable on
21 sort of the conditions we agree to comply with.

22 MR. CARROLL: Perhaps I could suggest
23 one thing. Rather than waiting until the close of
24 the comment period on the PMPD for the Committee
25 Conference could we hold the Committee Conference

1 during the 30 day comment period?

2 And then we would be in a position very
3 shortly after the close of the comment period to
4 go to a final decision. So if we move the
5 Committee Conference up to January 15 perhaps the
6 comment period would close on the 23rd and then we
7 might be prepared to go to the last -- I don't
8 know when the last Business Meeting is in January.

9 MS. HOLMES: Well it would be two weeks
10 before the 11th.

11 MR. CARROLL: Right.

12 MR. FOSTER: So the last week in
13 January.

14 MS. HOLMES: So it's probably the 28th.
15 I was going to make a similar suggestion, that you
16 move the conference back prior to the end of the
17 comment period. Obviously written comments can
18 come in on the last day.

19 HEARING OFFICER CELLI: The last day.

20 MS. HOLMES: And that's the risk that we
21 take by moving forward with this approach.

22 MR. CARROLL: Right, right.

23 MS. HOLMES: But if that doesn't happen
24 it does put you in a position to go to an earlier
25 Business Meeting, I believe.

1 HEARING OFFICER CELLI: I was looking at
2 January 23. What date are you proposing?

3 MR. CARROLL: January, a week earlier,
4 January 15.

5 HEARING OFFICER CELLI: The 15th,
6 January 16.

7 MS. HOLMES: I would recommend even
8 earlier. I mean, I think you'll know. If you did
9 it halfway through the comment period. You know,
10 at that point people will have had a chance to at
11 least read the decision and raise issues if they
12 have them. They obviously can continue to file
13 written comments after the conference. What I'm
14 saying is this is a risk that the applicant then
15 takes but it is a schedule that provides them with
16 a slightly earlier Business Meeting.

17 PRESIDING MEMBER BOYD: So earlier in
18 January.

19 HEARING OFFICER CELLI: That is true,
20 that is on the applicant.

21 MR. CARROLL: Right.

22 HEARING OFFICER CELLI: It's really the
23 risk.

24 MR. CARROLL: And I think we acknowledge
25 that, that this is dependant upon us delivering

1 and things going as we are projecting that they
2 go. So we acknowledge that. But our experience
3 is that the events tend to fill up the space
4 provided. So we prefer to have something tight
5 with the recognition that it might need to be
6 altered as opposed to having something that
7 anticipates problems.

8 HEARING OFFICER CELLI: So January 15.
9 And then do you happen to know when the last
10 January Business Meeting is going to be yet?

11 ADVISOR TUTT: I don't have that
12 schedule on my calendar yet. But I would out to
13 Hearing Officer Celli that if the PMPD is released
14 on December 19 the 30 day period appears to me to
15 be January 19.

16 MS. HOLMES: But I would suggest an
17 earlier date than the 15th. I would suggest maybe
18 the 5th or the 6th or the 7th, something along
19 those lines. And that way, as I said, people have
20 had two weeks, admittedly over Christmas, to look
21 at the PMPD and make decisions to whether they
22 have concerns or not.

23 And hopefully if they do they'll show up
24 at the conference. If they don't and they don't
25 file something until the end of the comment period

1 then it may have to be delayed. But we have at
2 least preserved the opportunity, if there are no
3 conditions, there are no problems, for moving
4 forward at the end of January.

5 HEARING OFFICER CELLI: So we're keeping
6 the December 19 date. We are moving the committee
7 conference on the PMPD to January what?

8 MS. HOLMES: I suggested the 7th but I
9 just picked it out of the air.

10 HEARING OFFICER CELLI: January 7. Does
11 that work for the Committee?

12 MS. HOLMES: Or the 8th or whatever.
13 I'm just suggesting that week.

14 PRESIDING MEMBER BOYD: The week of?

15 MS. HOLMES: That divides the comment
16 period up in half, roughly.

17 ADVISOR TUTT: The 7th is a Wednesday.
18 It's possible there would be a Business Meeting
19 that day.

20 MS. HOLMES: Not if there is one on the
21 28th. I'm just counting back. Assuming that the
22 11th is a Business Meeting I am just counting back
23 two weeks. So I don't know.

24 HEARING OFFICER CELLI: How does January
25 8 look?

1 ADVISOR TUTT: It's hard to tell that
2 far out on this but sometime during that week is
3 probably fine.

4 HEARING OFFICER CELLI: I'll just put
5 the 8th with a question mark. Knowing that this
6 is a knowing, intelligent, voluntary waiver on the
7 part of the applicant we can do that.

8 What I was going to -- What I will just
9 do. Because rather than take time today I can,
10 I'll just find out when the next Business Meeting
11 is and put in the last date in January for the
12 Business Meeting.

13 So that is acceptable to applicant as we
14 have it right now? October 7 is applicant files
15 testimony after the September 30 FSA.

16 We all need to take into consideration
17 that the PSA, as I understand it, that is coming
18 out today does not have a Water section, is that
19 right?

20 MS. HOLMES: It does have a water
21 section. It lists a series of issues that are
22 unresolved. And if it would be helpful we could
23 go over this or people can read it for themselves
24 this afternoon. It's really your call.

25 HEARING OFFICER CELLI: So FSA out on

1 September 30. October 7, applicant testimony
2 filed. October 14 or 16 the prehearing
3 conference. Evidentiary hearings the week of
4 October 20. PMPD out December 19. Committee
5 Conference on January 8. And then the last date
6 in January would be the Business Meeting we would
7 be shooting for. Is that acceptable to the
8 applicant?

9 MR. CARROLL: We appreciate the efforts.
10 And it appears that that's the best we can do so
11 we appreciate the effort.

12 HEARING OFFICER CELLI: And staff?

13 MS. HOLMES: It's acceptable to staff as
14 long as we maintain that 30 days between the FDOC
15 and the FSA. There is one other piece of
16 outstanding information that I think we will get
17 between -- I don't think there is going to be an
18 issue with it but I will mention it just for the
19 record. And that's final details about the
20 applicant's water transfer proposal. We had a
21 confidential filing and we don't have a complete
22 filing that we can make public. That's obviously
23 something we need as well. We will need at least
24 30 days to review that.

25 HEARING OFFICER CELLI: What 30 days are

1 we talking about here?

2 MR. CARROLL: Thirty days prior to the
3 FSA.

4 MS. HOLMES: Prior to the FSA.

5 HEARING OFFICER CELLI: Okay. Any
6 questions from the Committee as to the schedule?
7 Commissioner?

8 PRESIDING MEMBER BOYD: No, I just --
9 The applicant has taken a lot upon itself. But
10 the FDOC is really critical, isn't it?

11 MR. CARROLL: We recognize that.

12 HEARING OFFICER CELLI: Okay, anything
13 further of the applicant?

14 PRESIDING MEMBER BOYD: I guess I would
15 just -- Excuse me for interrupting. I would just
16 say, if that doesn't work I guess we will be back
17 discussing a schedule.

18 MR. FOSTER: Understood and we agree.

19 HEARING OFFICER CELLI: Advisor Tutt,
20 anything? Advisor Birkinshaw? Staff?

21 PRESIDING MEMBER BOYD: I am presuming
22 we will have a budget by then. I won't be working
23 for free and the minimum wage issue will be behind
24 us.

25 (Laughter)

1 HEARING OFFICER CELLI: Okay, well I
2 think we have covered everything we had
3 anticipated covering in this status conference.
4 What I am going to do now is open the floor, the
5 podium to public comment. This gentleman over
6 here had --

7 MR. SAVAGE: Gordon Savage. I was just
8 trying to fully --

9 PRESIDING MEMBER BOYD: You've got to
10 come to the podium.

11 MR. SAVAGE: I was trying to fully
12 answer the question and it doesn't sound like it
13 is relevant anymore.

14 HEARING OFFICER CELLI: Just to be
15 clear, everyone, if you wish to make a comment we
16 need you to come to the podium and speak into that
17 microphone because everything is being taken down
18 by the recorder. Please state your name.

19 MR. SAVAGE: My name is Gordon Savage.
20 And I was just trying to fully answer your
21 question. I think you were satisfied with the
22 answer about the need so I won't go into it.

23 PRESIDING MEMBER BOYD: You are with
24 Edison, I assume.

25 MR. SAVAGE: Yes, I am the manager of

1 energy contracts.

2 PRESIDING MEMBER BOYD: Thank you.

3 HEARING OFFICER CELLI: Anyone else wish
4 to make public comments? Please.

5 MS. GANGOPADHYAY: Actually I have a
6 couple of questions. My name is Monisha
7 Gangopadhyay, I am from the CPUC. And we wanted
8 to know what your schedule was for filing your
9 application for a CPCN? And also to request that
10 all environmental review with regards to the gen
11 tie are done adequately. That's what we would
12 expect coming to us. I don't know if that is
13 further along in your horizon but we can talk
14 about that maybe after.

15 MR. TURNER: So with respect to the
16 application for the CPCN. We have been working
17 with both people of your staff and Southern
18 California Edison and we plan on submitting an
19 application after the PSA is issued here. SCE
20 staff needs the PSA in order to prepare the
21 application for the CPCN.

22 I don't know exactly the timing after
23 the PSA comes out. I would suggest probably
24 around a month or so after that. We expect to
25 file the application concurrently with the CEC

1 application, which is the CEQA document that
2 ultimately is needed for CPCN approval as well.

3 MS. GANGOPADHYAY: Right. And our
4 permitting is contingent upon CEC's approval of
5 the application.

6 MR. TURNER: Exactly, we understand
7 that. And we have been coordinating with Chloe in
8 your department on this CPCN application and
9 preparing to submit it to you.

10 MS. GANGOPADHYAY: Okay. And I just
11 wanted to let you know that I am the project
12 manager for CPUC so I'll give you my card later.
13 It would be great to have, for us to be talking as
14 well.

15 MR. TURNER: Absolutely, thank you.

16 MS. GANGOPADHYAY: Not having seen the
17 Preliminary Staff report I don't know what
18 information is out there on the gen tie.

19 MS. HOLMES: Into the Devers substation?

20 MS. GANGOPADHYAY: That's right.

21 MS. HOLMES: There is a complete
22 evaluation in all technical areas of potential
23 impacts and if there are any impacts, mitigation.
24 That's completely covered, the gen tie.

25 MS. GANGOPADHYAY: Okay. Is it Ajoy

1 Guha who is working on the transmission aspect?

2 MS. HOLMES: I believe so.

3 MS. GANGOPADHYAY: Okay. So I guess we
4 will be in touch.

5 MS. HOLMES: Would you like me to have
6 him contact you?

7 MS. GANGOPADHYAY: That would be great,
8 thank you. I'll give you my card after.

9 HEARING OFFICER CELLI: And also if you
10 wouldn't mind giving a card to the court reporter
11 that would be helpful, thank you.

12 Anyone else? Further comment this
13 morning? Thank you.

14 At this time I will hand the meeting
15 back over to Commissioner Boyd who may adjourn.

16 PRESIDING MEMBER BOYD: Well I
17 appreciate the efforts everyone has made. I guess
18 we all cross our fingers and hope that everything
19 falls into place and that we don't have to repeat
20 this scheduling effort. So good luck everybody
21 and thank you all for being here and for your
22 input. And I guess with that we can adjourn this
23 status conference. So adjourned.

24 (Whereupon at 10:58 a.m., the
25 Status Conference was adjourned.)

CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Prehearing Conference; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said conference, nor in any way interested in outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of August, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□